The Conference Board

Serving Business and Society for 75 Years

A Monthly Report from the Consumer Research Center December 1991

Consumer Confidence Survey

November Results

Confidence: Another Big Loss

Consumer confidence dropped sharply in November for the second consecutive month. The Index (1985=100) now stands at 50.6, a loss of over 9 points for the month. In October, the series had registered close to a 13-point decline. The current Confidence Index figure is more than three points below the lowest reading registered during the 1982 recession.

In the latest survey, compared to a month earlier, respondents are less positive in their assessment of prevailing conditions, and a good deal less optimistic in their expectations for the months ahead. Buying plans, on balance, are also weaker.

On the question of present business conditions, 49 percent of all survey participants now say they are "bad." This is more than an 8-point rise over the month before. There is also increasing concern with the job situation. Now, a mere 4.8 percent of all respondents say that jobs are "plentiful," while a striking 48 percent report that they are "hard to get." Both these figures are substantially more negative than a month earlier.

In looking ahead to the next six months, only 16 percent of respondents now expect business conditions to improve. 19.6 percent believe that they will worsen. Also, only 12 percent believe that there will be more job opportunities six months from now, while 29 percent fear that there will be fewer jobs. Further, only 18 percent of those contacted expect their family income to increase in the months ahead. All of these numbers define a much less confident consumer in November than in October.

In the November survey, only 6.1 percent of all respondents say that they plan to buy a car in the next six months, down from 7.5 percent previously. Despite lower mortgage rates, intentions to buy a home have also retreated, to 2.7 percent of all respondents, from a prior 3.3 percent. Plans to buy a major appliance, which were down in October, remain unchanged in November.

The Board's Consumer Confidence Index is classified as a leading economic indicator by the U.S. Department of Commerce. The history of this series as a business-cycle indicator is carried in that agency's monthly publication, Survey of Current Business.

Consumers' growing concern about job security appears to be a major cause for the precipitous drop in confidence. On the survey questions concerning employment, pessimists outnumber optimists by an increasingly wide margin. The recent surge in unemployment insurance claims lends credibility to this assessment. The sharp decline in consumer confidence over the past two months cuts across all segments of the population—all age groups, all income brackets, and all regions of the country. This is the classical profile of recession.

Fabian Linden

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

Business Employment Income

All series seasonally adjusted	1990 Nov.	Dec.	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct(r)	Nov(p)
Composite Series: Index Numbers, 1985=100													
Consumer Confidence Index	61.7	61.2	55.1	59.4	81.1	79.4	76.4	78.0	77.7	76.1	72.9	60.1	50.6
Present Situation	70.3	63.3	54.7	53.1	51.7	48.9	47.8	43.7	43.8	45.1	39.1	31.0	26.3
Expectations	56.1	59.8	55.3	63.6	100.7	99.7	95.5	100.9	100.3	96.8	95.4	79.5	66.9
Appraisal of Present Situation: Percent													
Business Conditions													
Good	14.4	13.3	11.1	11.7	11.6	11.7	11.8	10.7	12.0	12.1	11.2	9.3	9.6
Bad	29.8	30.3	34.4	33.3	34.2	35.7	37.2	38.8	37.3	37.4	39.7	40.7	49.1
Normal	55.8	56.4	54.5	55.0	54.2	52.6	51.0	50.5	50.7	50.5	49.1	50.0	41.3
Employment													
Jobs plentiful	13.7	12.4	11.4	10.0	10.4	9.4	9.8	8.7	7.8	8.6	7.2	5.5	4.8
Jobs not so plentiful	56.9	55.9	55.5	56.8	53.9	55.1	52.4	53.8	54.6	52.8	52.8	51.0	47.3
Jobs hard to get	29.4	31.7	33.1	33.2	35.7	35.5	37.8	37.5	37.6	38.6	40.0	43.5	47.9
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	10.9	12.1	11.8	14.4	27.7	25.2	24.4	27.7	24.4	25.3	23.0	18.9	16.0
Worse	29.6	25.6	28.1	24.3	10.6	9.4	11.3	9.6	9.5	10.2	10.8	14.0	19.6
Same	59.5	62.3	60.1	61.3	61.7	65.4	64.3	62.7	66.1	64.5	66.2	67.1	64.4
Employment													
More jobs	9.9	9.9	9.0	11.6	20.8	19.4	18.9	21.0	19.9	18.8	17.7	14.8	12.0
Fewer jobs	34.9	33.9	35.3	31.4	19.1	17.9	18.6	17.4	18.1	18.5	20.1	26.0	28.8
Same	55.2	56.2	55.7	57.0	60.1	62.7	62.5	61.6	62.0	62.7	62.2	59.2	59.2
Income													
Increase	22.4	22.3	19.8	20.9	23.3	20.7	21.1	20.0	23.0	20.6	23.6	21.3	18.3
Decrease	11.5	10.4	11.1	11.6	8.7	8.9	10.1	9.8	9.0	9.9	8.6	11.6	12.2
Same	66.1	67.3	69.1	67.5	68.0	70.4	68.8	70.2	68.0	69.5	67.8	67.1	69.5
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	6.5	6.2	6.0	7.5	6.6	7.7	6.9	6.2	6.4	6.5	7.4	7.5	6.1
New	2.2	2.9	3.0	3.7	3.3	4.0	3.2	3.1	4.0	3.5	3.4	3.2	2.3
Used	3.2	2.8	2.4	3.0	2.6	3.1	3.0	2.8	2.1	2.7	3.0	3.3	2.8
Uncertain	1.1	0.5	0.6	0.8	0.7	0.6	0.7	0.3	0.3	0.3	1.0	1.0	1.0
Home													
Yes	2.6	2.7	2.6	3.0	4.2	3.0	2.8	2.8	2.9	2.9	3.4	3.3	2.7
New	0.9	0.6	0.7	0.8	1.1	0.8	0.9	0.6	0.5	0.7	0.8	0.6	0.8
Lived in	1.4	1.5	1.3	1.5	2.1	1.5	1.4	1.6	2.0	1.4	1.7	1.9	1.4
Uncertain	0.3	0.6	0.6	0.7	1.0	0.7	0.5	0.6	0.4	0.8	0.9	0.8	0.5
Major appliances													
Total plans	25.3	26.9	27.4	28.0	32.5	27.8	26.9	24.7	27.9	29.5	31.6	28.0	28.2
Refrigerator	3.7	4.1	4.4	4.9	5.3	3.6	4.0	3.5	4.0	4.6	5.9	4.2	4.4
Washing machine	3.1	3.5	3.9	4.3	4.6	3.8	3.2	3.5	4.4	3.7	3.4	4.3	3.7
TV Set	6.8	7.1	6.9	6.6	8.5	6.7	7.0	5.0	6.4	7.7	7.5	6.9	7.0
Vacuum Cleaner	4.5	4.7	5.0	4.6	5.5	5.3	5.2	4.8	4.4	5.3	6.0	4.7	5.4
Range	2.3	3.0	2.7	2.9	2.9	2.7	2.7	2.8	2.9	2.4	2.8	3.1	2.6
Clothes dryer	2.7	3.0	2.9	3.1	4.0	3.8	3.2	3.4	3.2	3.4	3.1	3.2	2.8
Air conditioner	2.2	1.5	1.6	1.6	1.7	1.9	1.6	1.7	2.6	2.4	2.9	1.6	2.3
Carpet	5.1	5.6	6.2	5.7	6.8	5.9	6.7	6.3	6.7	5.6	6.7	5.2	5.3
Vacation Intended Within Six Months: Percent													
Vacation Intended		47.4		45.8		47.3		45.9		46.6		49.1	
Destination													
U.S.		41.4		41.0		41.8		40.6		40.6		42.7	
Foreign country		7.3		6.4		7.1		6.4		7.8		7.8	
Means of Travel													
Automobile		27.9		28.5		28.4		28.2		28.2		30.8	
Airplane		17.5		16.3		17.8		17.7		17.2		17.0	
Other		3.7		3.9		4.4		3.0		4.4		3.6	

(p)—preliminary (r)—revised

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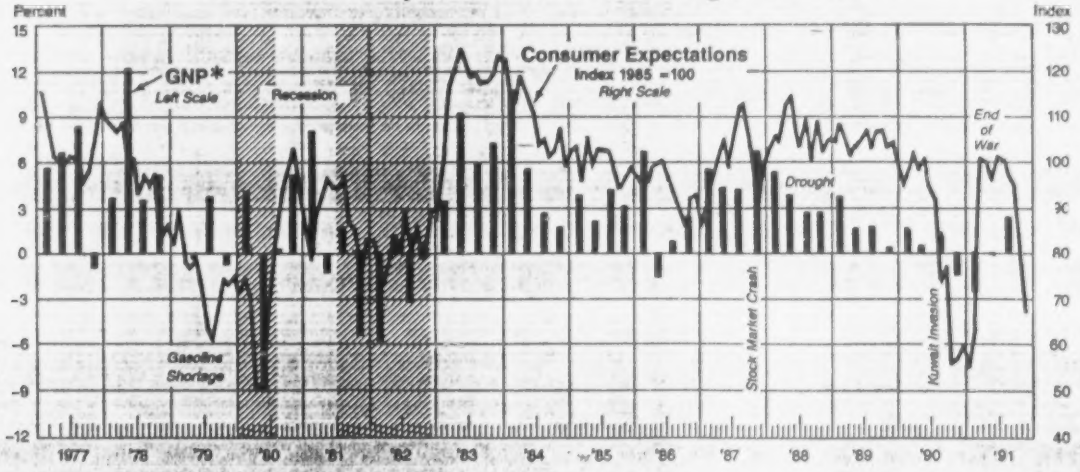
Not Seasonally Adjusted	1990 Nov.	Dec.	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct(r)	Nov(p)
Expectations for Twelve Months Hence: Percent													
Inflation Rate Average	5.9	5.8	5.5	5.2	4.7	4.8	4.7	4.5	4.8	4.7	4.6	4.7	4.7
Interest Rates													
Higher	53.2	49.8	33.4	34.4	42.8	45.5	35.3	45.9	50.7	46.9	41.8	37.0	34.2
Same	21.9	19.9	20.8	22.2	25.3	27.9	29.2	29.6	27.9	27.5	30.2	27.3	24.7
Lower	24.9	30.3	45.8	43.4	31.9	26.6	35.5	24.5	21.4	25.6	28.0	35.7	41.1
Stock Prices													
Increase	25.8	27.4	26.3	37.8	46.6	42.8	41.7	43.7	41.8	39.3	39.5	35.8	34.5
Same	28.2	30.0	29.9	31.1	31.7	35.1	36.5	34.0	34.8	36.1	37.0	37.5	35.7
Decrease	46.0	42.6	43.8	31.1	21.7	22.1	21.8	22.3	23.4	24.6	23.5	26.7	29.8

All series seasonally adjusted	1990 Nov.	Dec.	1991 Jan.	Feb.	Mar	Apr.	May	June	July	Aug.	Sep.	Oct(r)	Nov(p)	3 mos. Percent Change*
Consumer Confidence Index, 1985 = 100														
AGE OF HOUSEHOLD HEAD														
Under 35	80.1	73.5	66.5	65.2	90.6	92.9	92.7	87.7	91.0	92.4	86.7	74.0	63.9	-17.1
35-54	59.6	61.9	56.8	62.5	82.0	77.7	77.9	78.5	79.9	77.1	70.2	58.8	50.5	-23.8
55 and over	50.5	50.7	42.5	50.0	69.4	70.0	63.2	67.9	64.9	61.7	61.6	48.4	41.2	-22.2
HOUSEHOLD INCOME														
Under $15,000	46.4	54.2	41.4	47.0	60.3	62.1	57.8	53.3	58.2	51.7	53.1	45.1	33.7	-19.2
$15,000-24,999	62.9	55.4	49.4	54.9	72.1	76.5	75.4	71.0	67.9	78.4	69.3	56.2	51.1	-18.7
$25,000-34,999	63.4	63.0	59.3	61.9	85.3	79.5	83.1	81.6	80.6	80.4	73.5	57.0	50.3	-25.5
$35,000-49,999	73.3	64.7	63.3	64.8	87.9	83.4	77.9	88.7	85.9	81.4	78.4	69.5	54.7	-20.9
$50,000 and over	67.6	69.0	64.6	69.0	98.2	94.9	89.5	93.7	93.8	89.0	84.4	70.0	62.7	-21.5

*Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.

Consumer Expectations and Changes in GNP



*Quarterly changes in real GNP at annual rates.

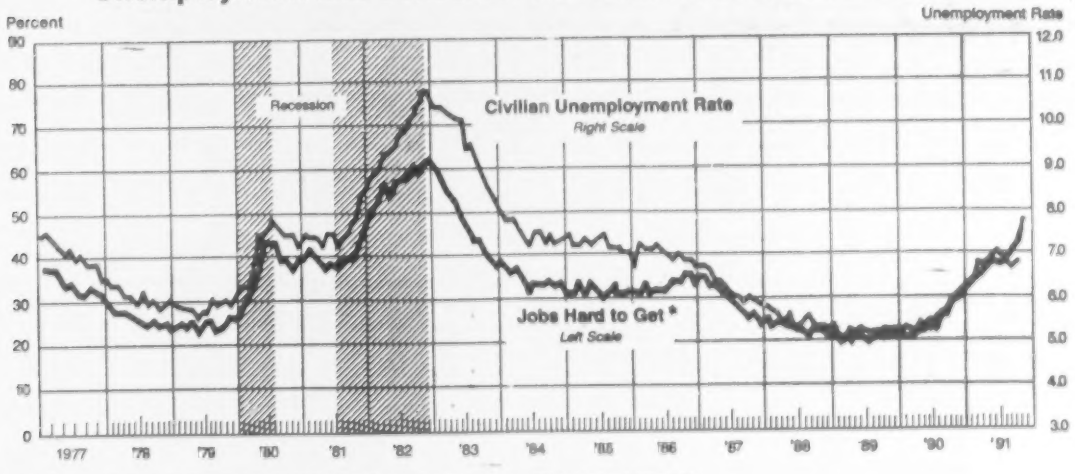
U.S. Department of Commerce; NFO Research Inc.; The Conference Board.

CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers: 1985=100	1990 Nov.	Dec.	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct(r)	Nov(p)	AVERAGE: Sept., Oct., Nov. 1990	1991	Percent Change
NEW ENGLAND																
Consumer Confidence Index	26.3	26.9	29.6	37.3	53.5	52.1	49.8	51.2	47.9	57.6	51.2	37.2	29.8	29.6	39.4	33.1
Present Situation	10.8	8.8	6.5	3.6	3.1	5.5	6.5	4.2	5.0	7.5	4.6	2.0	2.1	16.6	2.9	-82.7
Expectations	36.7	38.9	45.0	59.8	87.1	83.2	78.7	82.5	76.6	91.1	82.3	60.7	48.2	38.2	63.7	66.6
MIDDLE ATLANTIC																
Consumer Confidence Index	47.8	47.3	46.2	48.9	72.6	66.0	65.3	65.5	60.1	61.7	61.7	47.1	36.6	60.1	48.5	-19.4
Present Situation	52.9	48.2	38.4	33.6	33.3	27.5	36.1	25.4	25.0	24.7	21.6	19.8	16.1	74.6	19.2	-74.3
Expectations	44.4	46.8	51.4	59.1	98.8	91.6	84.8	92.3	83.5	86.3	88.5	65.3	50.3	50.5	68.0	34.8
EAST NORTH CENTRAL																
Consumer Confidence Index	65.7	60.9	56.4	55.0	80.8	77.6	72.6	77.9	83.3	72.6	72.5	67.7	53.9	75.4	64.7	-14.1
Present Situation	87.4	80.6	66.7	49.9	53.4	52.7	47.4	51.8	54.2	49.9	44.6	39.8	32.6	100.7	39.0	-61.3
Expectations	51.2	47.8	49.5	58.5	99.0	94.2	89.4	95.3	102.7	87.7	91.2	86.4	68.2	58.5	81.9	40.0
WEST NORTH CENTRAL																
Consumer Confidence Index	61.0	54.3	61.1	54.5	76.5	71.6	73.7	74.5	73.4	70.4	74.5	68.2	47.2	65.6	63.3	-3.5
Present Situation	78.7	62.3	65.7	56.2	53.6	51.5	60.7	48.3	50.3	52.6	57.9	47.8	35.5	83.2	47.1	-43.5
Expectations	49.2	49.0	58.0	53.3	91.9	85.0	82.4	92.0	88.8	82.3	85.6	81.8	55.0	53.9	74.2	37.6
SOUTH ATLANTIC																
Consumer Confidence Index	69.4	63.5	59.2	69.9	86.0	85.8	84.4	86.4	85.8	84.0	84.6	68.4	57.4	80.5	70.1	-12.9
Present Situation	87.9	74.5	63.4	59.3	44.5	55.3	47.4	51.1	47.3	50.7	53.9	34.6	28.6	103.2	39.0	-62.2
Expectations	57.1	56.1	56.4	77.0	113.7	106.2	109.1	109.9	111.5	106.2	105.0	91.0	76.6	65.4	90.9	39.0
EAST SOUTH CENTRAL																
Consumer Confidence Index	47.9	64.9	50.7	58.5	85.9	77.1	61.7	73.2	79.5	72.9	67.7	60.7	57.0	64.6	61.8	-4.4
Present Situation	47.4	63.4	39.2	50.4	45.8	39.7	37.5	42.6	44.7	50.8	32.0	40.3	41.8	69.8	38.0	-45.6
Expectations	48.3	65.8	58.4	63.9	112.6	102.1	77.9	93.7	102.7	87.6	91.6	74.3	67.2	61.2	77.7	27.0
WEST SOUTH CENTRAL																
Consumer Confidence Index	71.8	70.0	60.3	66.5	84.3	75.8	73.0	76.3	67.5	65.4	73.7	60.8	58.9	75.3	64.5	-14.4
Present Situation	47.1	54.3	42.1	40.0	45.7	43.3	43.4	40.4	34.7	36.7	39.6	30.1	31.2	51.2	33.6	-34.3
Expectations	88.3	80.4	72.4	84.2	110.0	97.5	92.8	100.2	89.4	84.5	96.5	81.2	77.4	91.4	85.0	-7.0
MOUNTAIN																
Consumer Confidence Index	68.6	77.1	67.9	65.8	83.2	98.1	81.5	95.3	86.3	94.2	86.8	84.0	67.2	79.9	79.3	-0.7
Present Situation	60.6	58.7	51.4	38.4	58.9	58.8	48.9	57.9	61.7	53.3	58.4	67.0	38.4	69.5	54.6	-21.5
Expectations	74.0	89.3	78.9	84.0	99.5	124.3	103.3	120.2	102.7	121.5	105.8	95.3	86.5	86.8	95.9	10.4
PACIFIC																
Consumer Confidence Index	92.0	80.0	70.3	84.9	101.1	95.8	91.0	89.5	90.6	87.2	81.2	74.0	61.9	95.2	72.3	-24.0
Present Situation	134.1	113.2	78.1	94.3	85.8	72.0	82.4	77.5	73.4	72.9	62.6	53.8	38.0	132.5	51.5	-61.2
Expectations	63.9	57.9	65.1	78.6	111.3	111.6	96.8	97.5	102.1	96.8	93.5	87.4	77.8	70.3	86.3	22.7

* Percent Change: Average of last three months shown as compared with same period year. Regional data are not adjusted for seasonal variation.

Unemployment and Consumer Assessment of Job Availability



* Percent of respondents reporting "jobs hard to get," Conference Board Consumer Confidence Survey.